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Office of Personnel

STAFF PAPER

U. S. DEPARTMENT OF AGRICULTURE

APPRAISAL

KEY TO

MANPOWER

U. S. DEPT. OF AGRICULTURE UTILIZATION
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APR 1 - 1963

C & R-PREP.

132
FOREWORD

With the increasing costs of government, there is great need for programs aimed at more efficient management of resources, particularly personnel, materials and money. Along with this need is a strong emphasis by Secretary Freeman for a program of positive action to achieve the objectives of better utilization of all of our resources in Agriculture.

The purpose of this paper, generally, is to present a concept of more effectively utilizing the organization and personnel functions to attain greater efficiency and better management.

This Staff Paper was developed through the cooperative effort of:

John A. Sandor, Forest Service

Ralph C. Reeder, Agricultural Research Service

William B. Hazel, Office of Personnel

Harold P. Gross, Office of Personnel

It is now presented for your reaction. We want to evolve from this paper a program for positive action in our area of responsibility that Secretary Freeman is seeking.

Carl B. Barnes

Carl B. Barnes
Director of Personnel

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A Performance Appraisal Program

February 25, 1963

APPRAISAL--KEY TO MANPOWER UTILIZATION

Synopsis

The objective of this staff paper is the development of a comprehensive program of appraising organization and individual performance to improve effective manpower utilization.

It is important that the various individual and organization appraisal programs presently in use be correlated and improved. Through a coordinated appraisal program, an organization's use of manpower is analyzed from the composite view of the individual and unit.

Following the identification of the various individual and unit appraisals that are needed, their coverage and relationships are discussed. The concept of a comprehensive and correlated appraisal program is then outlined with the development of:

- (1) "A Checklist of Questions in Appraising Manpower Utilization in an Organization" (Appendix A)
- (2) "A Performance Appraisal Program" (Appendix B)

Although this report may appear to stress the appraisal of manpower utilization from the personnel management view, these appraisals are in no way restricted to the personnel staff or function. In fact, one of the vital points to be emphasized is that the manager and management teams which may appraise organizational units must direct a part of their attention to this type of a comprehensive and correlated appraisal program if effective manpower utilization is to be assured.

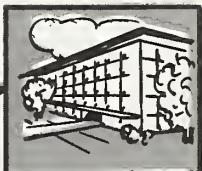
SUPERVISOR - MANAGER



ORGANIZATIONAL UNIT



Money



Materials

PURPOSE
OBJECTIVES
TASKS



Men

PERFORMANCE CRITERIA

- 1. QUANTITY
- 3. TIMELINESS

- 2. QUALITY
- 4. MANNER

DEMONSTRATED PERFORMANCE

EVALUATION

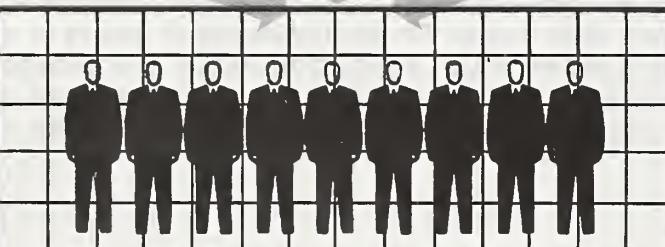
DEVELOPMENTAL ACTION

RECOGNITION

Assignment
Retention
Follow-up
Potential
Characteristics
Special Abilities

Training
1. In Service
2. Out Service
Details
Reassignment
Redefinition of Standards
Corrective Action

Promotion-in-Rank
Promotion-Within-Grade
Promotion-Within-Grade
for Quality Performance
Promotion-Grade
Honor Awards
1. Outstanding
2. Sustained Above Average
3. Dept., Federal, Civil



COMPOSITE APPRAISAL FOR MAXIMUM EFFECTIVE UTILIZATION
OF THE INDIVIDUAL IN THE ORGANIZATION

APPRAISAL--KEY TO MANPOWER UTILIZATION

I Introduction:

Human resources remain the fundamental ingredient on which the Department must depend for continued success. How well these resources are used determines the measure of that success. For this reason, this staff paper is aimed at the development of a program for appraising employee and organizational unit performance to insure effective manpower utilization.

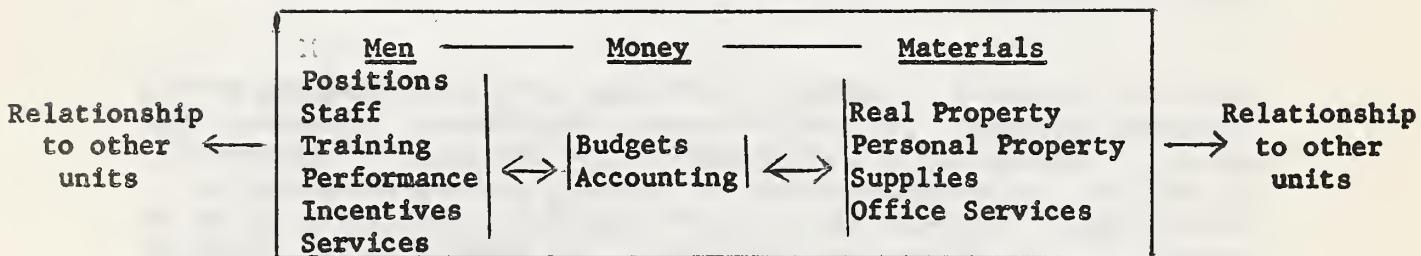
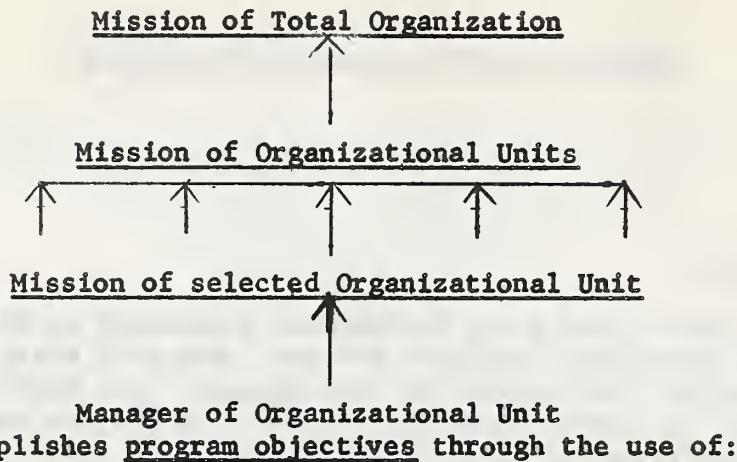
There are presently a number of individual evaluation programs serving different purposes: job classification, performance, retention, promotion, training, and others related to the management of personnel. In addition, management attempts to appraise group performance in several ways. Although many of these appraisals have merit in and of themselves, they may not be sufficiently coordinated at all levels of management to engender enthusiasm and promote use as instruments of program management. If a comprehensive appraisal program is to be of practical value, top management, supervisors and employees must be convinced of its merit and give it full support.

This is a description of a program to make this possible, operating on the principle that appraisals of employees and organizational units are as essential as the allocation of funds and material resources. This program places new emphasis on appraisal--the appraisal of the total man in a job--his performance, skills, interests, etc., as well as appraisal of a group of employees in a work environment.

II Inter-relationship of the Elements of Management:

An appraisal of the effectiveness with which each of the major elements of management contributes to the accomplishment of program objectives is a prime responsibility of every USDA "manager." An operational appraisal, to be effective, must extend upwards, downwards and laterally in the organizational structure. Collectively, such appraisals of effectiveness can be an extremely useful tool of USDA-wide

management. The inter-relationship of the elements of management may be described graphically as follows:



It is our purpose here to identify appraisal techniques and methods which will guide program managers in their use of personnel resources. Most techniques are well established as separate operations. Staff assistance is available to the line manager in each subject-matter area.

It cannot be overemphasized that each element and sub-element is inter-related. This is depicted in the previous chart. For example, the abolition of a position has more than a budgetary impact. A cut-back in staff resulting from program contraction frees space, creates a surplus property situation, etc. Similarly, a build-up in staff in response to program expansion requires new space, property, office services, etc.

III The Individual and the Organization:

To appraise the effective use of manpower in an organization, individual and unit performance must be examined as inter-related entities. Too often there is a tendency to appraise an individual's performance without analyzing the individual's responsibility and role in the unit.

Performance appraisals of units are often based only on the actual work performed (end product) rather than also evaluating how the work was performed. Appraisals for the purpose of improving performance should consider both individual and unit performance from these standpoints:

- (1) Assign tasks according to the human skills and other resources available in order to motivate performance and promote efficiency.
- (2) Continue the evaluation of the jobs performed by the individual and the unit in the light of the above.

The close relationship of unit and individual performance can be demonstrated by examining the elements listed below:

Positions and Functions

Individuals and Organizations

<u>Individual</u>	<u>Organizational Unit</u>
1. The job (tasks) to be performed	Mission to be accomplished
2. Qualifications required by job	Qualifications required to fulfill the mission
3. Performance requirement	Specified program objectives
4. Relationship to other jobs within the unit and the organization as a whole	Relationship of unit program to that of other units and the organization mission

5. Qualifications	Collective skills
6. Orientation to program and job	Orientation to unit's program and to total organization mission
7. Actual performance related to performance requirements	Actual accomplishment related to specified objectives
8. Evidence of growth in job	Evidence of increased unit effectiveness
9. Need for training for the job	Collective training need
10. Responsiveness to development and to job environment	Responsiveness to mission and changes
11. Evaluation by the supervisor	Evaluation by higher management levels
12. Demonstrated potential for higher level or other types of work	Ability of unit to carry out more difficult assignments

IV Individual and Organizational Unit Appraisals:

The appraisals required by law or otherwise prescribed are discussed in this section in terms of the relationship of individual and organization performance. The appraisals listed will vary when applied to unit or individual performance. In several instances, the appraisals may not be designed specifically for performance appraisal (e.g. classification and organization review) but are listed because they can be helpful in improving performance. For example, changes in organizational structure can markedly facilitate improved performance.

Also, the discussion of the stated responsibilities for these appraisals may raise certain disputable points. Any given appraisal may be the responsibility of an individual, several individuals or organization entities. These responsibilities may in fact vary from organization to organization.

The important point to be made is this: Though any type or part of an appraisal may be made by itself, for one limited purpose, the appraisal and application of results should be related to the broader need and objective for improving the use of manpower.

A. Classification and Organization Review:

The supervisor, in carrying out his responsibility to assign duties and to certify as to job description accuracy, is required to examine his distribution of work and alignment of functions.

Position classification reviews by trained job analysts provide a vehicle by which management may be supplied specific information on the effectiveness of the individual employee and the organization. This review of the organization should be concerned with:

1. the effectiveness of the organizational structure
2. the relationship of positions
3. the consistency of authority with responsibility
4. the appropriateness of supervisory ratios
5. the utilization of the work force
6. the need for training
7. the existence of employee motivation problems
8. the suitability of work performance requirements

Job engineering is another position review that merits increased attention. It is given separate mention under this section because it is more frequently approached by type of position rather than in connection with a review of the organizational entity. Through cooperative effort a critical analysis is

leveled at the technical, professional and management field to separate those tasks which may be performed by technicians, aides or assistants. Thus, the skill and ability of the professional is freed to be used consistently at his highest performance levels.

B. Qualification Review:

A determination of the skills, knowledges and personal characteristics required to perform the duties of positions is essential to insure that the program of the organization is continued without interruption. The decision as to what qualifications are necessary must be made realistically in terms of the demands of the job and the assignment to be performed.

Unrealistic standards may result in the employment of persons who are over-qualified or under-qualified. Where the person is over-qualified, there is a waste of talent--where the person is under-qualified, an excessive training period is involved and there is an interruption of program continuity. Realistic standards produce candidates who can operate effectively and at full capacity in the shortest possible time.

An awareness of the tasks to be performed by the incumbent of each position and the essential qualifications required will make possible the placement of employees commensurate with their skills.

C. Knowledge of Individual Skills:

One of the incongruous features of many organizations (both public and private) is the contrast between the organization's inventories of material and human resources. Property is accounted for in a methodical and precise program, whereas the organization's record of human skills is represented by an outdated group of application forms or set of personnel folders. Although there is a growing recognition of the need for improving this situation, one still hears from time to time the proposition that although a continuous and comprehensive inventory of human skills may be all right, it is really only performance that counts.

An organization's changing needs and consequent demand for new skills requires that we keep a continuous inventory of the basic skills of our people, including a means of recording individual experience (work and training) achievements. What is needed is a program that will provide an up-to-date record of the individual, including such items as, basic skills and abilities, work experience, training and development achievements and work interests.

It is expected that the Department of Agriculture's MOHR (Management of Human Resources) program utilizing ADP techniques will provide this needed information in a practical and readily usable form.

D. Placement Follow-up:

The placement follow-up review is an opportunity for the personnel management specialist to discuss with the supervisor and the employee the appropriateness of the placement. It serves to bring a focus on the need for continuous evaluation that the supervisor must make of the daily work activities of his employees. Through review and analysis of placement follow-up findings by higher units of the organization, operational trends, needs and expressions can be placed into perspective and looked at more objectively.

E. Exit Interview:

We are told all causes have effects. Are they important? Why does an employee leave? What impact is made on the job to be done? Aggregate turnover data and reasons show trends. Individually and collectively employment losses can show other things, such as, subtle changes which may have far reaching effects on interoffice relationships, poor communication, lack of training, improper placement or utilization of employee skills, and many others. Data developed should influence future management decisions on use of and effect on personnel. The responsibility for this appraisal activity is shared by personnel specialists, supervisors and unit managers.

F. Training Needs and Results:

The supervisor and individual employee have a joint responsibility to determine the training and development needs of that individual. When a close supervisor-employee relationship exists, it is possible to evaluate the employee's basic skills and performance in order to determine strengths and weaknesses. These are applied both from the standpoint of performance in the present job and in preparation for future responsibilities.

With the identification of these strengths and weaknesses, the supervisor and employee should develop an individual employee training and development program. There must be realistic objectives scheduled to recognize that one employee's needs for training must be balanced and combined with the needs of others.

The unit or organization manager must then:

- (1) Decide what formalized or special training programs are needed for the unit.
- (2) Decide what funds and other resources are to be allocated to training and development.
- (3) Develop and approve a formal training program for the unit.

Individual and unit training programs are developed from appraisals of individual performance and unit (collective employee) effectiveness. A performance appraisal program should look to the identification of training and development needs as a part of the end product.

An analysis of the results obtained from the individual and the unit training plan is of importance equal to that of establishing the need for, or the initiating of the training. A considerable expenditure of manpower, time and money is involved in training at all levels. The results are all too frequently intangible and defy normal measuring techniques. Until more satisfactory methods of evaluating training are available, the manager must exercise reasonable prudence and judgment in determining his training program. His judgment must be based on a thorough analysis of the need for and the content of the training offered as related to his operations.

G. Level of Competence:

The Federal Salary Reform Act of 1962 provided for the determination of levels of competence to provide the basis for awarding:

- (1) within-grade increases in pay
- (2) special quality within-grade increases in pay

Specifically the act provided that work must be "of an acceptable level of competence" before within-grade increases can be granted. Special within grade increases may be made to employees "in recognition of high quality performance above that ordinarily found in the type of position concerned."

For purposes of this paper, it is recommended that these increases be regarded as promotions. The determination of the above is a product of an individual performance appraisal. The primary responsibility for that appraisal rests with the employee's supervisor.

H. Promotion Appraisals:

For the purpose of clarification and advance understanding of the application of this term in this paper, we are including in the definition of promotion:

- (1) increases in grade (e.g., GS-5 to GS-7)
- (2) increases in pay within a grade (e.g., GS-5 step a to GS-5 step b)

In either case, an appraisal must be made to provide a basis for deciding whether or not a promotion in grade or pay is merited and granted.

The demonstrated performance of an individual in a job is the product of the person's skills (qualifications) and his characteristics in inter-action on the job. Although qualifications and characteristics are major criteria in predicting performance, demonstrated performance is a more valid criterion for awarding promotions. In appraising for within-grade promotion, demonstrated performance itself provides an adequate basis for denying pay advancement and for awarding within-grade or quality performance increases.

For promotion to new or different jobs, the individual's skills, demonstrated performance and characteristics must be analyzed for predictive performance. Personal characteristic evaluations, because of their subjective nature, should be considered separately in the appraisal process.

The supervisor has the responsibility for making the initial appraisal for both grade and within-grade promotions. As a minimum, this appraisal must be reviewed by one higher supervisory level to insure fairness and a reasonable degree of equity throughout the organization.

The agency promotion programs have been established to give management an inventory of its replacement or understudy potential. Thus, management can plan short and long-term recruitment, identify special training needs, make special project assignments as an aid to make future selections and determinations, and for other similar purposes.

I. Performance Ratings:

The appraisal for performance rating purposes under the Performance Rating Act has been reduced in great measure to a formality. The inability to use "unsatisfactory" performance

rating as a reason for adverse action against an employee limits use of the lower end of the rating scale. The "outstanding" rating because of its definition in the Act virtually defies attainment except by a most select few. As a result, all remaining employees have been covered under the umbrella term "satisfactory."

Although the original intent of the Performance Rating Act has been subverted, the basic provisions of the Act provided an effective guideline in establishing a system of appraising employee performance. These provisions are:

- (1) that performance requirements be made known to all offices and employees
- (2) that performance be fairly appraised in relation to such requirements
- (3) for the use of appraisals to improve the effectiveness of employee performance
- (4) for strengthening supervisor-employee relationships
- (5) that each officer and employee be kept currently advised of his performance and promptly notified of his performance rating

J. General and Functional Inspections and Audits:

On-site evaluation of programs from a detached point of view constitutes an invaluable source of utilization appraisal data. Presently, such data flows from:

- (1) internal audits
- (2) general and functional program inspections conducted by outside agencies such as the Civil Service Commission, GAO, and others; and the Department and its constituted agencies.

K. Special Appraisals:

Other appraisals are also made to serve limited or specific purposes. These include:

- (1) Probationary Period Appraisals to decide if an employee should be retained
- (2) Placement Appraisals to decide if a reassignment should be made
- (3) Special Appraisals for recognition and awards, absenteeism, safety and welfare matters, correction for poor performance or delinquency.

In each of these appraisals, performance must be appraised and again this is the primary responsibility of the employee's supervisor.

* * * * *

Throughout this paper, the importance of review and appraisal of the individual employee has been stressed. The employee's supervisor is required to have a thorough knowledge of the employee, his job and his performance so that by using this information wisely, the abilities, interest and potential of the employee may be fully utilized. Similarly, the manager of an organizational entity must be informed concerning the activities of his unit and the relationships and contributions of the individuals.

The various review techniques suggested in Section IV in certain instances afford a fairly comprehensive analysis of the organization. This is particularly true in the case of the organization and classification review. Others, however, while being extremely important to the supervisor, are fairly meaningless to the manager if delivered in a fragmentated or unrelated context. A single complaint, follow-up or terminal interview indicating a situation needing corrective action is usually considered on its own merits. These same considerations become more meaningful to management when the reports of the supervisors, personnel program specialists and others are accumulated and coordinated so that a hard comprehensive look may be applied to the use of manpower and the efforts and results of management.

The accumulation of results from studies on qualifications, placement follow-up and terminal interviews might very well indicate the need for change in our qualification requirements for a position. Other studies might reveal motivational problems, instances of superior training being given or the need for training, evidence of a shortage or a surplus of employees or other indications of the nature of supervision being given. Thus, the manager has through many of the present personnel management review programs the opportunity to evaluate his current personnel position and to plan his future needs.

The professional personnel staff should supply the line operator or manager with comprehensive results and recommendations in all the areas covered in Section IV of this paper. In its role of assisting the line to perform its job better, there is a need for the personnel officer to formulate with the manager a program of review designed to furnish management with the desired information. Not all review programs need to be consolidated to furnish management with the desired information. However, those which are likely to produce desired information should be test checked to determine if productive results might be obtained.

V A Comprehensive Appraisal Program for the Maximum Utilization of Human Resources:

A. Organization Analysis and Appraisal:

This is an "umbrella" type of appraisal of effectiveness. Organization provides the context within which the Men, Money and Material elements of management are managed. Effective organization appraisal is directly related to:

- (1) Correct classification of positions to occupational categories and grades
- (2) Workload definition and measurement
- (3) Manpower planning and staffing
- (4) The training and development of employees
- (5) An orderly progression pattern for advancement under career and merit promotion programs
- (6) Budgeting on both a short and long-range basis
- (7) Legal, financial and administrative accountability
- (8) Clear and positive communications

The following guides provide a template against which any organizational unit can be appraised:

- (1) Integration of Effort. Overall objectives can be fulfilled only when a particular organizational unit's function(s) is clearly related to the purpose of the organization as a whole. The work of every individual must be similarly related.
- (2) Delegation. Management capacity is multiplied through delegation of authority so that decisions are never made higher in the organization than necessary to gain adequate perspective of the factors and consequences involved. Responsibility and delegated authority must be in balance. The extent of an individual's authority to act must be as clearly understood as is the pattern of review over him.
- (3) Definitive Delineation of Functions. Functional responsibilities, relationships and other necessary organizational considerations must be clearly defined and understood by all concerned.
- (4) Span of Control. There are no hard and fast numerical guides as to the number of subordinate organizational

units or individuals a manager can manage. Balance is essential. Neither a predominantly "vertical" structure nor a disproportionately "horizontal" structure will be justified, normally. The structure must be such that time will be allowed the manager to be a leader and a manager.

- (5) Continuity. Specific responsibility must be assigned to a group or an individual in an organization to be continuously alert to environmental or internal conditions which may have an impact on the structure of that organization and its relationships with other organizations inside and outside the immediate complex. Environmental conditions which might affect an organization include technological change, economic trends, increased or decreased public requirements for a given service and similar factors.
- (6) Simplification. Communication is enhanced and coordination improved by combining overlapping or closely related responsibilities.
- (7) Accountability. Clear measures of accountability at successive levels of responsibility must be established. The reporting of accomplishments as related to goals and standards is an example of a measure of accountability.

To assist management, there is attached Appendix A--a suggested list of questions for use in appraising manpower utilization in an organization. This list illustrates the application of the above guides.

B. The Individual and His Job:

Appraisals of employees like the appraisal of financial needs, and material requirements, are basic to the accomplishment of the organization mission. This paper has devoted itself to the need for utilization of people in the best way possible. Through a constant awareness of the individual in his job and in the organization, the total appraisal of employees will bring into focus and facilitate the full utilization of that employee.

A chart depicting the individual appraisal process is shown on the following page.

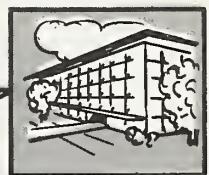
SUPERVISOR - MANAGER



ORGANIZATIONAL UNIT

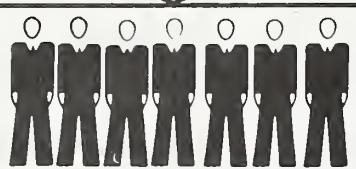


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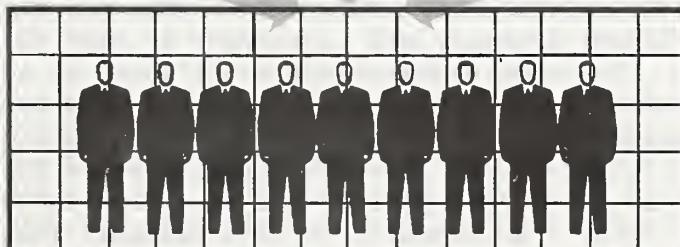
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COMPOSITE APPRAISAL FOR MAXIMUM EFFECTIVE UTILIZATION
OF THE INDIVIDUAL IN THE ORGANIZATION

B-1 Performance Criteria: the basis for individual performance analysis and appraisal

A number of the individual appraisals previously listed are closely related or involve the evaluation of similar criteria. These include individual appraisals for:

- (a) Determining level of competence on a job (provided for in the Federal Salary Reform Act).
- (b) Measuring potential or predicted performance in new jobs.
- (c) Identifying individuals who merit performance awards.
- (d) Identifying needs for corrective or disciplinary action.
- (e) Identifying training needs.
- (f) Determination of performance ratings as required in the Performance Rating Act.
- (g) Identifying other needs or serving special purposes (placement, retention, etc.).

Collectively these individual appraisals together with organization appraisals provide a basis for evaluating and improving manpower utilization.

The most logical basis for appraising individual performance is performance criteria. Performance criteria would have to be identified in evaluating actual performance regardless of the purpose for which the appraisal is made (promotion, retention, training, etc.).

The performance criteria should be regarded as a guide for measuring and evaluating an employee's work. Insofar as possible, performance standards for a position must be specified in terms of quantity, quality, time and/or manner in which the work is performed in sufficient detail to identify what is required. The standard should define the results in terms of accomplishments expected. Criteria may also be developed for classes of work. These can then be applied to given jobs. The method of developing standards may vary between organizations, hence, are not prescribed Department-wide. Attached as Appendix B is "A Performance Appraisal Program" that is intended as a guide to the agencies and is one of the basic elements of the Department's Manpower Utilization Program.

Regardless of how the criteria are prepared, they must be developed so that the supervisor and employee clearly understand the standards by which the performance is to be measured. It is desirable for the supervisor and employee to work together to develop this criteria.

B-2 The Performance Appraisal Process:

The individual performance appraisals for the varied purposes they serve should be treated as a group of related appraisals with the on-the-job performance appraisal serving several purposes. This is a logical and practical process that can be illustrated in the following manner:

(a) The on-the-job performance appraisal, first of all, is an appraisal of demonstrated performance made by a supervisor having a knowledge of the individual's skills and using specified performance criteria by which performance is measured -



(b) This appraisal of demonstrated performance would directly meet several individual appraisal needs -

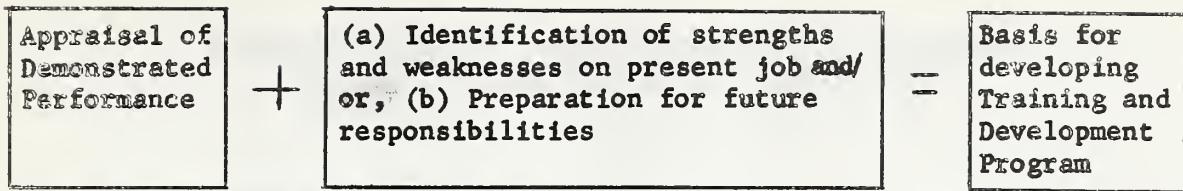
Basis for:

Appraisal of
Demonstrated
Performance in
a Given Job

(1) Determination of Competence Level and decision on within-grade promotion
 (2) Determination of Performance Rating
 (3) Determination for Awards Consideration
 (4) Determination of need for corrective action

(c) At the same time, demonstrated performance together with additional steps in the appraisal process would meet other needs -





The above is only an illustration of several possible applications of the appraisal of demonstrated performance. Such appraisals should be continuous.

Formal appraisals must be made and documented at least once a year. In order to be effectively applied, the documentation must reflect the various uses to which it will be applied. If properly and practically documented, the relationship of the appraisal of demonstrated performance to training needs, promotion ratings, award nominations, etc. will be strengthened. By strengthening these ties, the value of this basic performance appraisal will become clear and should win the interest and support of employees and supervisors alike. What is envisioned is a basic document showing the appraisal of demonstrated performance.

APPENDIX A

A Suggested List of Questions for Use in Appraising Manpower Utilization in an Organization

I Review of the Work of the Unit

- A. Is there a system established within the unit whereby:
 - 1. Manpower is channeled to projects of highest priority?
 - 2. Projects or efforts which are no longer productive are phased out?
 - 3. The level of expenditure of men, money and materials is balanced in terms of scheduled and "special" or "crash" projects?
 - 4. Quality and quantity of results is consistent with expenditure of resources?
 - 5. Potential trouble spots (procedural and otherwise) are identified early, thus, reducing costly work delays?
 - 6. The objectives of the unit are continuously reviewed and reevaluated?
 - 7. Communications and lines of reporting are continuously reviewed for effectiveness?

II Organization and Assignment of Work within the Unit

- A. Is there evidence that there is advanced planning, both long and short term, for manpower, money and material requirements necessary to meet the organization's objectives?
- B. Do the work assignments provide for:
 - 1. A planned assignment of work to each individual employee of the unit?
 - 2. Review of assignments on a periodic basis?
 - 3. Integration with the system of work review? (I above)
 - 4. The training of replacements?
- C. Does the assignment of work to individual employees:
 - 1. Match available skills and abilities with tasks to be performed?

2. Take into account personal interests?
3. Provide opportunities for on-the-job training and development?

D. How often and by whom are assignments reviewed to assure:

1. Progress toward planned objectives?
2. Balanced distribution of skills among current projects, both long- and short-range?
3. Identification of unused skills capabilities?

E. Is provision made for "job engineering" to:

1. Minimize non-professional effort by professionals? Clerical effort by administrative personnel? Technician effort by functional specialists?
2. Standardize routine tasks or operations?
3. Relieve technical, scientific and other professionals of support or "housekeeping" work?
4. Appraise the staffing pattern of the unit (number of employees, grade structure, etc.) in terms of needs and performance?

III Work Environment

- A. Do employees feel unit is a good place to work? How are employee attitudes determined in this regard?
- B. How is achievement and commendable performance recognized in the unit?
- C. How do individual employees:
 1. Participate in planning or decisions affecting their work?
 2. Select or express preference for work assignments?
- D. What improvements in working conditions and facilities would contribute to better morale and productivity?

IV Program for Increasing Employee Capability

- A. Is there a planned employee development program operative within the unit? What have been the results?
- B. Are the plans for and results of training and employee development programs considered in terms of increasing the efficiency and productivity of the unit?

1. How is career development coordinated with long-term objectives and program needs?
2. Does the development program provide for the early identification of management and/or leadership talent?
- C. What help is provided in developing individual employees for responsible assignments?
- D. How are employees encouraged to undertake self-development efforts?
- E. What evidence is there that employees are undertaking self-development programs on their own initiative?

V Other Approaches

- A. Is provision made for advanced planning of the work of the unit?
- B. Are employees being utilized on the basis of ability rather than under-utilized because of sex, race, religion, national origin, or physical handicap?

APPENDIX B

A Performance Appraisal Program

I Policy

It is the policy of the Department of Agriculture that employees and organizational units shall be appraised annually.

II Objective

The objective of the following program is to properly implement the stated policy in carrying out the Pay Act of 1962 and increased utilization of manpower.

III Program

Following is a recommended appraisal program. This program will outline the methods whereby through employee and organizational unit appraisals the human resources of the Department of Agriculture will be more effectively utilized. Each agency shall institute or adapt a current program to meet the requirements stated in the objective and further described.

To have any program fully effective and to obtain realistic appraisals of employees in terms of acceptable level of competence and full utilization of their skill, the following must be present in the program:

A. Performance Standards

A standard or set of criteria must be readily available at all times against which the actual performance of the individual is to be reviewed. Such standard should be set in consultations, whenever practicable, with the employee (this can be done by mail as well as interview). The standard must periodically be reviewed for accuracy and to assure it is realistic. Standards or criteria must also be available in the same manner whereby the total performance of a unit can be appraised to assure that the unit is meeting its objectives and stated goal.

1. A performance standard or set of criteria established for an individual should reflect what is expected of the employee in the following terms:

quantity - how much, how many
quality - degree of perfection
timelines - when completed, deadlines, etc.
manner - techniques, methods to be employed, etc.

2. The criteria developed for appraising a unit should be established in terms of the missions of the unit and objectives planned.

B. Appraisal of Performance

Appraisals must be conducted annually and will be most productive when coordinated with the annual appraisal of the organizational unit. Each agency will establish review times as best suits its purpose. The appraisal must be written and maintained as a basis for other required evaluations.

Appraisals for the purpose of improving performance should consider both individual and unit performance from these standpoints:

1. The assignment of responsibilities in consideration of the skills available to motivate performance and promote efficiency.
2. The job performed by both the individual and the unit in the light of the above.

Through this coordinated appraisal program, the individual agencies and the Department as a whole would seek to make the most effective use of manpower possible.

In addition, the various individual performance appraisals (for determining levels of competence, performance ratings, identifying training needs, individuals meriting awards or needing corrective action, etc.) should be coordinated to avoid duplication of effort and unnecessary paper work.

The individual performance appraisal program in the Department shall include:

1. Performance criteria.
2. Continuous performance appraisal for all purposes, documented at least once a year.
3. Recognition of demonstrated performance in a given job as the basis or partial basis for:
 - a. Determining level of competence on a job (provided for in the Federal Salary Reform Act of 1962).
 - b. Measuring potential or predicted performance in new jobs.
 - c. Identifying individuals who merit performance awards.
 - d. Identifying needs for corrective or disciplinary action.
 - e. Determination of performance ratings as required by the Performance Rating Act of 1950.

- f. Identifying training needs.
- g. Identifying other needs or serving special purposes (placement, retention, etc.).

The appraisals will immediately serve as a basis for determining whether an employee is performing at an acceptable level of competence and is deserving of a within-grade promotion or other form of recognition. Through these appraisals a determination as to better utilization of manpower can be made.

C. Levels of Competence

The determination of the level of competence as evidenced by demonstrated performance and appraisal against established performance criteria will be made by the supervisor. This determination must be reviewed as a minimum by the next higher supervisory level. This is a minimum requirement, further restriction or reviews may be established by the agencies as they feel are appropriate.

1. Marginal performance is defined as (1) work which barely meets the normal requirements of the job in all essential elements, or (2) work in which elements, rated as marginal, are not offset by elements rated as exceeding normal job requirements. A marginal rating does not meet the acceptable level of performance requirements, but will be rated as being within the normal range of "satisfactory" for purposes of the Performance Rating Plan.
2. Acceptable performance is defined as (1) work which meets or exceeds normal requirements of the job in all essential elements or (2) work on which one or more elements are rated as marginal, but the overall work performance meets the normal requirements of the job.
3. High-quality level of performance is defined as performance sufficiently above the specified performance standards to warrant recognition. All elements upon which the employee is appraised need not be outstanding, but are recognized in composite as being substantially above the normal requirements of the job.

D. Granting Within-Grade Promotions

1. Certification Requirement: In addition to meeting the length of creditable service requirement, an affirmative written certification of acceptable level of competence will be made by the supervisor responsible for evaluating the employee's work performance. Such certification shall be based upon the summary appraisal as formulated at the time of the formal periodic evaluation of the employee's performance.

- a. Certification Date: Determination as to whether an employee meets the acceptable level of competence must be made prior to the employee's eligibility for the within-grade promotion. Reassignment, detail or other lateral transfer for reassignment of the employee or assignment of a new supervisor will not defer the making of this determination. If necessary to make a valid determination, the previous supervisor(s) should be consulted in making the required certification.
- b. Advance Notice of Competence Determination: Thirty days advance notice should be given to an employee and his supervisor that an acceptable level of competence determination is to be made. The supervisor is expected to discuss performance deficiencies with his employee so that the employee may attempt to correct deficiencies in his performance (insofar as possible). If the deficiencies have not been overcome by the date the competence determination is due and the appraisal falls within the definition of "marginal" satisfactory performance, the supervisor shall not certify the employee as meeting the acceptable level of competence.

E. Disapproval of Within-Grade Promotions

1. Review Requirements

- a. The supervisor's determination that an employee's performance has failed to meet the acceptable level of competence shall be reviewed by the next supervisory level as a minimum. The employee shall then be advised in writing that he has not met the acceptable level of competence provision and therefore will not be certified for a within-grade promotion.
- b. Employees whose within-grade promotions have been withheld under the acceptable level of competence provisions will be reappraised in not less than three months.

F. Review of Pending Adverse Action

Within-grade promotions will not be authorized while a proposed adverse action is pending for such reasons as inefficiency, delinquency or serious misconduct, or advance warning has been issued the employee advising him that his performance is unsatisfactory and will result in an unsatisfactory rating unless improved. Whenever a within-grade promotion is withheld pending resolution of a proposed notice of adverse action and the charges are subsequently resolved in the employee's favor and provided the employee otherwise meets the conditions for a within-grade promotion, the promotion may be made effective as of the date originally due.

G. Employee Request

Employees will have the right to request reconsideration of the initial decision to withhold a within-grade promotion.

1. Filing of Request for Reconsideration: Requests for such reconsideration must be submitted by the employee to his supervisor within 10 days of receipt of the notification to him that the increase has been denied. The employment officer may extend the filing date where the employee is precluded from doing so by circumstances beyond his control.

H. Reconsideration Review Procedures

Procedures for reconsideration of a decision to withhold a within-grade promotion will provide for review of the decision by a level of management sufficiently high to assure that within an appropriate organizational unit there is uniformity of treatment and conformance with standards in such supervisory decisions. As a minimum, procedures for reconsideration will provide for review of the original decision by a responsible level of management above the official or officials making the original certification, and the opportunity for the employee to present, either orally or in writing, the reasons he believes the decision should be reconsidered. Department and agency grievance procedures shall be adopted for this purpose.

I. Application of High-Quality Performance Concept

An employee whose performance in all or a majority of the essential elements is rated as substantially exceeding the normal requirements of the position and deserving of recognition may be recommended for consideration under the quality increase provisions.

Documentation to support this recommendation should be such as to permit reviewing officials to compare the work performance (written) standards of the position with the actual performance of the employee. This support may be a supervisor-maintained record of the employee's performance or a brief but substantive statement with specific examples to make clear the manner in which the performance is considered to have substantially exceeded the performance requirements. These examples may be statistical regarding qualitative and quantitative appraised tasks, statements of the employee's supervisors or others with whom he comes in official contact that recognize the work of the employee or other forms of recognition that are supportive of the quality performance.

J. Certifications Required

Not only should the immediate supervisor recommend and give the basis on which he has categorized the employee's performance as being of high quality, but also he shall certify that he believes that on the basis of past experience the employee's high quality performance is likely to continue in the future. (See 8AR _____ Step Increases)

K. Review Procedures

Because of the direct relationship between the within-grade promotion resulting from quality performance and awards for sustained outstanding performance and outstanding performance ratings under the Incentive Awards Program and other honorary award recognition programs, recommendations for quality increases shall be reviewed.

The primary guideline in determining whether or not an employee shall be awarded a within-grade promotion for quality performance or a lump sum award under the Incentive Awards Program, will be which approach provides the greatest advantage to the employee and the agency. It may be that both types of awards will be justified.

Quality within-grade promotions are normally continuing in benefit. However, consideration should be given to:

1. Are there tangible savings or intangible benefits which would, if considered, substantially increase the payment that could be made under the Incentive Awards Program?
2. Would the quality increase be limited to insufficient length of time due to pending promotion in grade or other action?
3. Is the employee already at the top of his grade or will he be granted his final within-grade promotion shortly?

L. Report Requirements

MDSC will report by grade and occupational group the number of quality increases granted during the fiscal year ending June 30, 1963. These reports should be submitted to the Office of Personnel on or before August 1, 1963.



